

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 AMMAN 002554

SIPDIS

SENSITIVE

E.O. 12958: N/A

TAGS: [ASEC](#) [EAID](#) [ECON](#) [JO](#) [KISL](#) [KPAL](#) [KWMN](#) [PGOV](#) [PREF](#)

SUBJECT: AQABA AUTHORITIES CONFRONT SOCIAL, REGIONAL CHALLENGES

REF: AMMAN 2553

SUMMARY

1. (SBU) Despite significant achievements in the three years since the creation of the Aqaba Special Economic Zone (ASEZA), major social and regional security issues remain. Commissioners say one of their greatest challenges is managing the delicate balance of economic openness and the needs of a socially conservative society. ASEZA authorities acknowledge that communication with Aqaba residents must take higher precedence as they move into the next phase of the development plan, and probably the biggest unanswered question is the fate of Aqaba's poorest neighborhood, Shalala. Given Aqaba's increasing strategic importance and growing regional instability, Commissioners say that enhancing security is of paramount importance as well. ASEZA's establishment is unique for Jordan, and represents the most ambitious experiment underway to realize King Abdullah's vision of economic prosperity and political and social advancement. It also presents a snapshot of the broader challenges Jordan faces as it attempts to liberalize economically within a socially conservative society, and within an increasingly volatile region.

This is the second of two messages resulting from a recent visit by ECON, PA, POL and USAID officers to Aqaba. The first assesses the progress of ASEZA's economic development plan thus far and its ongoing challenges. End Summary.

BALANCING OPENNESS AND SOCIAL CONSERVATISM

2. (SBU) The Aqaba Special Economic Zone Authority (ASEZA) has made significant gains in three years, but officials acknowledge that the thorniest problem it faces is ensuring respect for conservative social norms while creating an environment conducive to economic development. ASEZA is trying to deal carefully with sensitive social issues -- such as whether to segregate or integrate public beaches, for example -- in order to avoid inflaming local sensitivities. However, the contrast in cultures is sometimes unavoidable, as is evident with recent influxes of Eastern European tourists, particularly Hungarians, who view Jordan as a cheap but exotic tourist destination. Besides snide comments about scantily clad tourists traipsing through town and the inability of veiled local women to enjoy the beach in privacy, EmbOffs did not encounter significant concerns from local residents about the "clash of cultures."

3. (SBU) The Commissioners, businesspeople, and Aqaba's politicians note that the city is still in an early stage of its development, and things could change as more foreign tourists flock to Aqaba -- which underscores the importance of handling sensitive issues carefully. Local businesspeople say that their conservative society can mesh with the openness required of a resort town catering to foreign investors and tourists. Aqaba's port location has given the residents unique exposure to outsiders that other parts of Jordan have not experienced.

4. (SBU) ASEZA Deputy Chief Commissioner and ADC Head Imad Fakhoury acknowledges that time is not on the Commissioners' side because people are impatient and complain when they do not feel immediate benefits on a personal level. He says that ASEZA officials subscribe to the "trickle-down theory" of economics, in that the initial benefits of the development plans are intended to benefit the wealthy, but eventually, tangible benefits will filter down to the lower rungs of society. However, he recognizes that the average low salaries among the general population prevent many ordinary Jordanians from enjoying the new restaurants and shops, and he acknowledges resentment for this exists among some Jordanians (inside and outside of Aqaba).

ENSURING THAT WOMEN AND YOUTH BENEFIT

5. (SBU) Liali Nashishibi, President of the Aqaba Business

Professional Women's Club and chief of public relations at the Movenpick Hotel, told EmbOffs that the conservative nature of Aqaba's society, particularly norms regarding women's role in the workplace, could affect the integration of women into the workforce. She said that most Western hotels, including the Movenpick, will not hire veiled women for jobs that require interaction with hotel guests. She believes more training programs focusing on integrating women into the various parts of the workforce will be crucial to support ASEZA's development plan. A dearth in funding for such programs -- which she griped has often been focused on the needs of Amman-based NGOs -- has always been a major stumbling block.

16. (SBU) Dr. Mozfi Amyan, Dean of al-Balqa' College of Aqaba, believes that expanding educational opportunity for Aqaba's youth -- especially women -- is key to ensuring the population is integrated into the development process. Al-Balqa' established the Aqaba campus in 2001, and is the only institution of higher learning in the city. Dr. Amyan lauds the efforts to revitalize Aqaba's tourism sector and accordingly, has restructured the college's curriculum to better prepare students to enter the service industry. The school currently accommodates 450 students in two rented buildings, and has submitted a proposal to the Planning Ministry to build a larger campus, which will include facilities to accommodate students of hotel management and tourism. He said Aqaba residents have been hearing for "years" that an American University modeled after those in Beirut and Cairo will be built in Aqaba, but they know nothing concrete about the plan.

AQABA'S POOR: WHAT TO DO WITH SHALALA?

17. (SBU) In the midst of the growth and symbols of prosperity in Aqaba, there lies an economically-depressed, teeming community called Shalala, which is comprised mostly of Palestinian refugees from Gaza. Unlike refugees from the West Bank, Gazan refugees do not hold Jordanian citizenship and are not eligible for GOJ services such as health care and public schools. According to the GOJ, the total refugee population in Aqaba is 16,500 registered with UNWRA, plus 7,000 not registered (some refugees also live in the "old city" separate from Shalala). However, because of long-standing budget issues, UNWRA does not provide the Aqaba refugee community with services there.

18. (SBU) During a visit to several small businesses in Shalala, we heard no criticism of the wider development plan for Aqaba; we heard satisfaction with the physical changes they see in their city. However, their fate remains unclear. ASEZA has plans to relocate the residents of Shalala to a projects-style housing complex in another area of the city called Harahfiah. A tender for project management of the 1800-unit complex has already been announced and ASEZA expects soon to announce the manager, who in turn will put out a tender for construction. The local community does not appear well informed about the housing plan. Shalala rests on prime real estate with an exceptional view of the Gulf, and ASEZA is considering transforming the area into a tourist attraction filled with souvenir shops and small restaurants, in order to preserve its "old Aqaba" character, according to one ASEZA official.

19. (SBU) Until now, it appears that no one in ASEZA has consulted with Shalala residents for their input. Shalala residents say that they have heard bits and pieces on television (although they did not elaborate about what they heard) and did not express any concerns. Aqaba business developer Ziyad al-Shweikh said the details of the final plan for Shalala have not been announced, though speculation in the community is that they may be moved to high rise apartments near the airport, a prospect that he believes will be unacceptable to most residents once ASEZA tries to implement the plan. He explains that many are simple people from rural backgrounds that would fight leaving their homes if they thought their lifestyle would change. Many breed farm animals and have small businesses that they would not be able to maintain in an apartment setting. Despite the dismal living conditions, many in the 50-year-old community would be loathe to leave their neighborhood made up of extended family, neighbors, and friends.

110. (SBU) Al-Shweikh warns that the lack of communication with members of the Shalala community as ASEZA develops a plan for Shalala residents provides an opportunity for ASEZA critics to make political hay of the issue. Although he doesn't believe an extremist element exists in Aqaba, he warns that open discussion with the Shalala community about its future is imperative to prevent the Islamists from emerging as their key advocate. Aqaba MP and IAF member Shaykh Bader al-Riyati is one of the few outspoken advocates for the poor of Aqaba. Without alternative support, the people will increasingly look to him for help. Many of our

interlocutors emphasized that Shaykh al-Riyati in particular works tirelessly to advocate on behalf of the poor in Aqaba and that he enjoys a good reputation among the population. For his part, Shaykh al-Riyati acknowledges he spends as little time as possible in Amman (just when Parliament is in session) so that he can be available for his constituents in Aqaba, who seek his help at all hours of the night. He told EmbOffs that he is forced to address pleas for help (particularly about jobs) that the authorities seem ill-equipped to handle.

REGIONAL POLITICS, SECURITY CONCERNS INESCAPABLE

¶11. (SBU) Several of our interlocutors emphasized that the potential for Aqaba -- and Jordan as a whole -- would be enhanced exponentially if regional stability could be achieved, especially with regard to the Palestinian-Israeli conflict. They say ongoing instability in Iraq also hurts ASEZA's efforts to market Aqaba as a launching point into the Iraqi market.

¶12. (SBU) The increased economic activity in Aqaba enhances the strategic importance of the port, and regional realities combine to make security a growing priority for ASEZA. Soror says the port is in compliance with IMO security regulations, but that enhanced security measures, including beefing up the military security presence, are under consideration for the port area. Bilal Bashir, Commissioner for Environment, Regulation and Enforcement, says that ASEZA is considering wide security measures for the entire Aqaba region. Israeli-Jordanian border and maritime security cooperation remains excellent, but Fakhoury says that Israeli security concerns have prevented Israel thus far from signing on to ASEZA's vision of inaugurating Aqaba's international airport as a joint "peace airport."

COMMENT

¶13. (SBU) ASEZA's establishment is the most ambitious experiment underway in Jordan to realize King Abdullah's vision of economic prosperity and political and social advancement. It also presents a snapshot of the broader challenges Jordan faces as it seeks political liberalization in a socially conservative society and in a volatile region. ASEZA will have to handle sensitive social issues and improve communication with the local community to give them a sense of "ownership" in ASEZA and to offset the Islamist influence in Aqaba. Visit Embassy Amman's classified web site at <http://www.state.sgov.gov/p/nea/amman> or access the site through the State Department's SIPRNET home page.
GNEHM